2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL
A Manitoba Crown Corporation

1130-444 St. Mary Ave.
Winnipeg, Manitoba R3C 3T1
www.crowncc.mb.ca

2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

TABLE OF CONTENTS

Letter of Transmittal 1

Message from Chief Executive Officer and Chair 2

About Us 3

Corporate Governance Framework 4

Governing Provisions for Crown Corporations 6

Members of Council's Board of Directors 8

Corporate Performance 9

Schedule of Legislative Authorities 12

Responsibility for Financial Statements 14

Auditors' Report 15

Financial Statements 16

Cette information existe également en français.

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2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

LETTER OF TRANSMITTAL

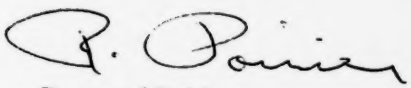
March 30, 2010

The Honourable Rosann Wowchuk
Minister responsible for
Crown Corporations Council
Province of Manitoba
103 Legislative Building
Winnipeg, Manitoba
R3C OV8

Dear Minister:

In accordance with Section 7(1) of the *Crown Corporations Public Review and Accountability Act*, I am pleased to submit for your consideration the Annual Report of the Crown Corporations Council for the year ended December 31, 2009.

Respectfully submitted,



Raymond Poirier
Chair
Crown Corporations Council

2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

MESSAGE FROM CHIEF EXECUTIVE OFFICER AND CHAIR

The large commercial Crowns under Council's purview deliver electricity, natural gas service and automobile insurance to the people of Manitoba. In addition, gaming and alcoholic products are offered within a framework of responsible use. As well several smaller Crowns manage facilities and provide economic development.

Council's mandate is one of facilitation to assist Crowns to meet their obligations under the Act. It is an on-going process and co-dependent on actions of other organizations involved.

Council's annual report highlights its activities in supporting Crowns in achieving and maintaining a clear mandate and purpose, having effective criteria for measuring performance and following appropriate long term corporate and capital expenditure plans.

Council identifies opportunities for mandate and policy clarification, assesses performance measurement and reporting systems, reviews strategic plans and capital expenditure programs.

Council focuses on consistent practices in the areas of governance and risk management supported by a small team of five full time staff of which two are professional staff and two members are administrative support.

In April 2009, Mr. Rajendera (Raj) Pandey was appointed as a Member to Council for a three year term. The Council thanks Mr. Ric dela Cruz for his contribution as a member of Crown Corporations Council over the last six years and wishes him well in his future endeavours.

Highlights of Council's actions and reviews for the year follow. The financial statements indicate that expenses were up slightly from prior year however lower than budgeted.

Garry M. Hoffman
President and Chief Executive Officer

Raymond Poirier
Chair

2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

ABOUT US

LEGISLATIVE AUTHORITY

The Crown Corporations Public Review and Accountability Act (the Act) establishes Crown Corporations Council as a corporation responsible to the member of the Executive Council charged by the Lieutenant Governor in Council with the administration of this Act (Minister appointed to administer the Act).

The Act, in effect since 1989, establishes an accountability framework for six (6) Crown Corporations subject to the legislation that encompasses Boards of Directors, Ministers responsible, the Manitoba Legislature, Crown Corporations Council and if applicable, the Public Utilities Board. These Crown Corporations include Manitoba Hydro, Manitoba Public Insurance, Manitoba Lotteries Corporation, Manitoba Liquor Control Commission, Manitoba Centennial Centre Corporation, and Communities Economic Development Fund.

In broad terms, application of the Act encompasses the following primary areas:

- Council's role and mandate (Part II of the Act)
- General provisions governing corporations (Part III of the Act)
- Public Utilities Board review of rates (Part IV of the Act)

CROWN CORPORATIONS COUNCIL ROLE AND MANDATE

Council's duties as set out in the Act are:

- Facilitate, in co-operation with each corporation, the development of a clearly defined mandate and a clear statement of purpose for the corporation.
- Facilitate, in co-operation with each corporation, the development of consistent and effective criteria for measuring the corporation's performance.
- Review long term corporate plans and capital expenditure proposals; ensure consistent practices among two or more corporations where appropriate.
- Provide any advice to the Lieutenant Governor in Council on those plans, proposals and practices or any other matter of policy affecting corporations that may be requested by the Lieutenant Governor in Council.
- Receive and hear submissions from any person who, in the opinion of the Council, has knowledge respecting any aspect of a corporation's activities regarding alleged failures by the corporation to comply with any Act or any policy of the Council.

CORPORATE GOVERNANCE FRAMEWORK

At the request of the Minister responsible, Council continues to research and develop a program to enable excellence in Crown boards by developing the capacity of the Directors within Manitoba Corporations, Agencies, Boards and Commissions and to ensure consistent governance and financial practices are applied across the Province. Provincial stakeholders were engaged to finalize a Director Competency Role Profile that supports the development of a comprehensive "Made in Manitoba" Board Training and Director Development Model.

Council's role is conducted through facilitation, reviews, monitoring and providing Government through Council's Minister responsible advice on any matter identified or requested affecting the applicable Crowns.

FINANCES AND RESOURCES

Council's operations are funded by recovering operating expenses through assessment of levies to the Crown corporations subject to the Act. Financial statements for the year ended December 31, 2009 begin on page 16.

COUNCIL'S CORPORATE GOVERNANCE FRAMEWORK

Council's Board governance is based on written policies and the Board focuses on achievement of outcomes and long term effects. Board performance is monitored and annually self assessed. The Board is responsible for the appointment of a President and CEO, monitoring and evaluating the CEO's performance.

Board Composition

The governing body of Council consists of eight members appointed by the Lieutenant Governor in Council. Members are chosen to serve based on statutory provisions outlined in the Act.

One member is the Dean of the Asper School of Business at the University of Manitoba or designate from that Faculty. One member is nominated by the Institute of Chartered Accountants of Manitoba. One member is a person who, in the opinion of the Lieutenant Governor in Council, represents organizations of consumers in Manitoba.

At least three members are persons who, in the opinion of the Lieutenant Governor in Council, have demonstrated management or technical expertise. The President and CEO of Council is an ex-officio member of the Board.

CORPORATE GOVERNANCE FRAMEWORK

Director Independence

The Board considers all Directors to be independent from Council. Independence is considered to have no direct or indirect material relationship with Council. A material relationship means a relationship which could be viewed as reasonably interfering with the exercise of independent judgement. In addition, all Directors are considered independent from the Crowns under Council's purview.

Board Committees

In accordance with Section 15 (2) and Section 18 of the Act the Board has established a planning committee and an audit committee. The planning committee is comprised of the Board as a whole.

Duties of the audit committee are established in Section 18 of the Act. The audit committee is comprised of three members all of which are considered to be financially literate. A member is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the organization's financial statements.

Director Remuneration

The chairperson, vice-chairperson and members of Council are entitled to remuneration and reimbursement for expenses that have been prescribed by the Lieutenant Governor in Council through relevant Orders-in-Council. Remuneration for the chairperson is set at $25,000 per annum and for each member including the vice-chairperson is set at $7,500 per annum.

Board Meetings

The Board meets a minimum of five times during the year and includes an in-camera session without management present as a regular feature of each scheduled Board meeting. Board attendance is recorded.

Public Reporting

Council is required by statute to file an annual report to the Minister responsible on its activities. The annual report is tabled in the Legislative Assembly. In addition, a quarterly report is provided to the Minister responsible. These reports are accessible on Council's internet site: www.crowncc.mb.ca

GOVERNING PROVISIONS FOR CROWN CORPORATIONS

GENERAL PROVISIONS GOVERNING CORPORATIONS SUBJECT TO THE ACT

The Act establishes governance provisions for the Corporations subject to the statute. Governance refers to the structure and practices for overseeing and directing the management of a business and its affairs. Good governance is linked to: ensuring the organization carries out its mandate and objectives, improved corporate performance and risk management, enhancing shareholder value and ensuring the public is well served.

Section III of the Act sets out a range of statutory requirements that support good governance and accountability. Key requirements include:

- Duties of boards collectively
- Duties of directors as individuals
- Responsibility and reporting to Ministers responsible and legislature
- Conflict of interest, director disclosure and avoidance standards
- Establishment of Planning and Audit committees
- Corporate plans, performance and accountability reporting

For example, directors are required to "act honestly and in good faith with a view to the best interests of the corporation" and "exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances." These provisions impose the same degree of responsibility on directors subject to the statute as applied to directors of private corporations. Another important aspect establishes conflict of interest guidelines and disclosure requirements for directors.

Other provisions set out duties of the Board which include periodic review of strategic plans, corporate performance, and if applicable public accountability meetings. General accountability reporting includes requiring audited financial statements and quarterly and annual reporting. Organizations subject to the Act are also required to establish Audit committees for which the duties are defined. This is particularly relevant given the trend of increased focus and attention on the role of audit committees in governance best practices.

Part III of the Act places statutory requirements on Board of Directors that reflect a core essence of governance principles and conduct. Collectively, they establish a minimum standard and can supplement provisions of an organization's existing enabling legislation. Each organization's enabling legislation will vary and commonly provides for appointment of

directors, meetings, powers of the board and submission of annual activity and financial reports.

Application of the governing provisions of the Act can strengthen governance requirements in areas such as board due diligence and establishment of Audit committees if the enabling legislation is silent on such matters.

The independence and autonomy of Board directors, management and conduct of the business affairs of the corporations is unaffected by the Act, as is policy direction to Crowns.

PUBLIC UTILITIES BOARD

Part IV of the Act provides for the Public Utilities Board review of rates for services of Manitoba Hydro and Manitoba Public Insurance. This regulatory process enables an open, transparent review of rates for service including public participation.

2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

MEMBERS OF COUNCIL'S BOARD OF DIRECTORS

Raymond Poirier, C.M. President, Apprentissage Illimité Inc. Attended six out of six meetings	Chairman since 2006 Member since 2002
Judy A. Murphy, CA Practice Leader, Strategy & Governance Meyers Norris Penny, LLP Attended five out of six meetings	Member since 2000 Vice-Chair since 2006 Chair – Audit Committee
Dr. Glenn Feltham Dean, Asper School of Business University of Manitoba Attended five out of six meetings	Member since 2004 Member - Audit Committee
Kent J. Haugen, FCA Partner, Business Consulting & Taxation Haugen Morrish Angers, Chartered Accountants Attended five out of six meetings	Member since 2002 Member - Audit Committee
Becky Barrett Attended four out of six meetings	Member since 2004
Elaine Cowan Senior Negotiator Avison Young Commercial Real Estate Attended six out of six meetings	Member since 2006
Ron Bailey Attended five out of six meetings	Member since June 2008
Dr. Rajendera (Raj) Pandey APR Industries Ltd. Attended four out of four meetings	Member since April 2009

CORPORATE PERFORMANCE

Council defines its primary client as the Minister responsible for the Council and representative Ministers responsible for the Crowns under Council's purview. Ministers provide ownership direction to the respective Crown corporations within the context of performance and challenges while respecting the accountability of the Minister and the Crown Board.

In 2009, Council continued to pursue areas of importance in providing ownership direction to Crown corporations. These are Ministerial direction and expectations regarding commercial goals and performance, full and continuous disclosure of the Crown Board and management to the Minister as owner representative and determining the risk that the owner feels is appropriate for the Crown.

Priority activities in 2009 continued to focus on the following outcome and results:

Priorities

1. The Board of Council engage Ministers responsible on ownership issues of Ministerial direction and expectations, full and continuous disclosure and risk.
2. Council staff raise awareness and understanding of issues related to mandates and purpose, performance, long term plans and capital expenditure programs.
3. Council staff research and develop solutions to enable excellence in Crown boards by developing the capacity of the Directors to ensure consistent governance and financial practices are applied across the Province.

Strategic Outcome

Decisions recognize concern for ownership issues of commercial Crowns.

Expected Results

- Resolution of ownership issues is influenced by Council.
- Commercial Crowns are aware of and understand the problems, opportunities, and potential solutions.
- Enable Corporate Governance and financial literacy competencies

CORPORATE PERFORMANCE

Summary of Performance for 2009 in Relationship to Strategic Outcome

STRATEGIC OUTCOME	2009 PRIORITIES	EXPECTED RESULTS
Resolution of ownership issues is influenced by Council	Continue to raise issues within relevant accountability framework	Fully achieved
Commercial Crowns are aware of and understand the problems, opportunities and potential solutions	Council staff raise awareness and understanding of issues	Fully achieved
Enable Corporate Governance and financial literacy competencies	Council staff to research and finalize a Competency Role Profile and Development Model	Fully achieved

Accomplishments in 2009

Mandate and purpose

"Facilitate, in co-operation with each corporation, the development of a clearly defined mandate and a clear statement of purpose for the corporation."

◊ During the year, reviews were undertaken on five of the six Crowns under Council's purview.

Crown Corporation Performance Measurement and Reporting

"Facilitate, in co-operation with each corporation, the development of consistent and effective criteria for measuring the corporation's performance."

◊ Continued monitoring of each Crown's measurement and reporting practices.

Crown Corporations Plans and Capital Expenditures

"Review long term corporate plans and capital expenditure proposals of corporations . . ."

◊ Reviewed all Crowns' updated or new corporate strategic plans.

◊ Completed annual review of Crowns' capital expenditure programs and borrowing requirements.

2009 ANNUAL REPORT

CROWN CORPORATIONS COUNCIL

CORPORATE PERFORMANCE

Consistent Practices

"Ensure consistent practices among two or more corporations where appropriate."

◊ Continued monitoring of governance, risk management, sustainable development and social responsibility processes and practices.

Submissions to Council

"Receive and hear submissions . . . . regarding alleged failures by the corporation to comply with any Act or any policy of the Council."

◊ In 2009 Council received one such submission. Council reviewed the matters outlined in the submission and determined there was no evidence of an alleged failure that could be considered under Section 6(1) (d) of Council's Act.

Annual Report S 18(2) of the Public Interest Disclosure (Whistleblower Protection) Act

◊ During the period from April 2, 2007 (proclamation) to end of December 31, 2009, no disclosures of alleged wrongdoing were made.

Sustainable Development

During 2009 activities continued advancing sustainable development outcomes:

◊ Continued to follow procurement policy which is consistent with Manitoba's principles and guidelines of sustainable development.
◊ Continued recycling program.
◊ Continued conserving resources, waste reduction and diversion.
◊ Continued evaluating value, performance and need.

Summary of Resources

Our cost of operations continues to be relatively stable.

2009	2008	2007	2006	2005	2004
$761	$730	$723	$720	$694	$686

SCHEDULE OF LEGISLATIVE AUTHORITIES

Legislative authorities refers to the legislation, regulations, Orders in Council, directives, entity by-laws, agreements and other instruments through which powers are established and delegated.

The Crown Corporations Public Review and Accountability Act

4(1)	Council established
5	Employees and advisors
6(1)	Duties of council
6(2)	Powers of council
9(1)	Costs of council
9(2)	Regulations
10	Banking

Regulations

84/1990	Levies on Corporations
146/1991	Manitoba Lotteries Foundation
16/2001	Manitoba Centennial Centre Corporation

Crown Corporations Council By-Laws

By-Law No. 1
By-Law No. 2

SCHEDULE OF LEGISLATIVE AUTHORITIES

Orders in Council

161/2000	Appointment of President and CEO as an ex officio member of CCC
68/2005	Director appointment to the CCC Board
155/2006	Directors appointments to the CCC Board
497/2006	Director appointment to the CCC Board
296/2007	Directors appointments to the CCC Board
346/2007	Appointment of BDO Dunwoody LLP as external auditors of CCC
148/2008	Directors appointments to the CCC Board
158/2009	Directors appointments to the CCC Board

Members under Crown Corporations Public Review and Accountability Act

Raymond Poirier, Chairman - 4(2)(d)	Expires:	May 31, 2012
Judy Murphy, Vice-Chairperson - 4(2)(b)	Expires:	November 16, 2012
Ron Bailey - 4(2)(c)	Expires:	April 30, 2011
Becky Barrett - 4(2)(d)	Expires:	August 29, 2010
Elaine Cowan - 4(2)(d)	Expires:	May 31, 2012
Glenn Feltham - 4(2)(a)	Expires:	August 29, 2010
Kent Haugen - 4(2)(d)	Expires:	April 30, 2011
Rajendera Pandey - 4(2)(d)	Expires:	May 31, 2012

RESPONSIBILITY FOR FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Responsibility for Financial Statements

The management of the Crown Corporations Council is responsible for the preparation and presentation of the financial statements and accompanying notes. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors. The statements have been examined by BDO Canada LLP, independent external auditors, whose opinion is included herein.

The preparation of the financial information contained in the annual report necessarily involved the use of certain estimates and judgments which have been reached based on careful assessment of data available through the Council's information systems.

Preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Council. Management maintains an appropriate system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements.

The Audit Committee of the Board of Directors meets periodically with officers of the Council and the Council's auditors. The auditors have free access to this Committee, to discuss the results of their audit work and their observations on the internal financial controls and the quality of financial reporting.

Gary Hoffman

President and Chief Executive Officer

Shiladej Antonuk

Senior Business Analyst

AUDITORS' REPORT

BDO

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700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

To the Members of
CROWN CORPORATIONS COUNCIL

We have audited the balance sheet of **CROWN CORPORATIONS COUNCIL** as at December 31, 2009 and the statement of income and reserve reflecting net investment in capital assets for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
February 18, 2010

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FINANCIAL STATEMENTS

BALANCE SHEET

	December 31	
	2009	2008
ASSETS	(thousands of dollars)	
Current:		
Cash	$ 637	$ 608
Accounts receivable	5	6
	642	614
Capital assets (note 4)	-	-
	$ 642	$ 614
LIABILITIES AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS		
Current:		
Accounts payable and accrued liabilities	$ 78	$ 146
Levies received in advance	152	112
Due to Manitoba Crown Corporations (note 3)	258	141
	488	399
Retirement allowances and other benefits payable (notes 2 (e) and 5)	154	215
	642	614
Reserve reflecting net investment in capital assets	-	-
	$ 642	$ 614

Approved by the Board

Chairman

Director

(see accompanying notes)

FINANCIAL STATEMENTS

STATEMENT OF INCOME AND RESERVE REFLECTING NET INVESTMENT IN CAPITAL ASSETS

	December 31	
	2009	2008
	(thousands of dollars)	
Income		
Recoveries from corporations through levies	$ 760	$ 721
Interest	1	8
	761	729
Expenses		
Salaries and benefits (notes 2(e) and 5)	504	529
Board remuneration and expenses	88	78
Rent	78	78
Professional fees	48	10
Professional development	10	2
Automobile Expense	8	8
Office supplies and printing	8	7
Communications	7	7
Equipment rental and maintenance	4	4
Travel	4	1
Insurance and miscellaneous	2	2
Depreciation	-	1
Industry conferences	-	3
	761	730
Excess (deficit) of income over expenses	-	(1)
Reserve reflecting net investment in capital assets, beginning of year	-	1
Reserve reflecting net investment in capital assets, end of year	$ -	$ -

(see accompanying notes)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

1. Nature of organization

The Crown Corporations Council (the "Council") is a body corporate established on June 5, 1989 under the Crown Corporations Public Review and Accountability Act.

The mandate of the Council is to facilitate clear mandates, development of performance measures and consistent practices and to review corporate plans of Crown corporations under its purview.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those principles considered particularly significant for the Council.

a) Financial Instruments

The Council utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

All transactions related to financial instruments are recorded on a trade date basis.

The Council classifies its financial instruments as follows based on the purpose for which the asset was acquired and follows the disclosed accounting policy for each category.

Assets/Liability	Category	Measurement
Cash	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due to Manitoba Crown Corporations	Other financial liabilities	Amortized cost

- Held for trading items are carried at fair value, with changes in their fair value recognized in the statement of operations.
- Other financial liabilities are carried at amortized cost, using the effective interest method.
- Loans and receivables are carried at amortized cost, using the effective interest rate method, less any provision for impairment.

Transition costs are expensed as incurred.

b) Recoveries of expenses from Crown corporations

Operating expenses are recovered from the Crown corporations through the assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related

costs are incurred. In addition, certain direct costs incurred on behalf of particular corporations are recovered directly from the respective Crown corporations.

c) Reserve reflecting the net investment in capital assets

The purchase of capital assets is funded through operating expense levies assessed to Crown corporations. The reserve reflects levies assessed to the Crown corporations with respect to the Council's capital assets.

d) Capital Assets

Capital assets are recorded at cost. Depreciation is provided on a straight line basis over five years on the office furniture and equipment and over three years on the computer equipment.

e) Retirement allowances and other employee future benefits

The Council provides retirement allowance and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. In addition, adjustments arising from plan amendment, changes in assumptions, and the actuarial present value of the accrued entitlement as at January 1, 2000 are being amortized to expenses on a straight line basis over the expected average remaining service life of the employee group. Actuarial gains and losses are recognized in income immediately.

Employees of the Council are provided pension benefits by the Civil Service Superannuation Fund ("the Fund"). Under paragraph 6 of the Civil Service Superannuation Act, the Council is described as a "matching employer" and its contribution toward the pension benefits is limited to matching the employees' contributions to the Fund. The cost for the year was $23,800 (2008 - $23,100).

In addition, one employee is entitled to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

f) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual amounts could differ from those estimates.

g) New Accounting Pronouncements

A recent accounting pronouncement that has been issued but is not yet effective, and have a potential implication for the corporation, is as follows:

Future for Not-for-Profit Organizations (NPO)

In October 2009, the Accounting Standards Board (AcSB) tentatively decided that it will propose a choice between the accounting standards for private enterprises plus the current NPO standards appropriately modified to fit with those standards, International Financial Reporting Standards or Public Sector Accounting standards (PSAB) with NPO standards added on to PSAB. The Public Sector Accounting Board agreed that there was sufficient support to develop an NPO series to add onto the PSAB standards similar to the current NPO standards, but appropriately modified to fit with PSAB. The two boards are working together and intend to issue an Exposure Draft for comment in the first half of 2010. Until the Boards make a final decision all NPOs will continue to follow the current Canadian Institute of Chartered Accountants Handbook – Accounting.

3. Due to Manitoba Crown corporations

These amounts are non-interest bearing and represent a retroactive adjustment to levies based on Council's actual expenses.

4. Capital assets

These are comprised entirely of office furniture and equipment and computer equipment.

	December 31	
	2009	2008
	(in thousands of dollars)	
Cost		
Office furniture and equipment	$ 59	$ 59
Computer equipment	44	44
	$103	$103
Accumulated depreciation		
Office furniture and equipment	$ 59	$ 59
Computer equipment	44	44
	$103	$103
Net book value	$ 0	$ 0

5. Retirement allowances and enhanced pension benefits

The Council measures its accrued benefit obligation for each of the retirement allowance and enhanced pension benefits as at December 31 of each year. The most recent actuarial valuation report for the retirement allowance was at December 31, 2008 and the most recent finalized and approved actuarial valuation report for the enhanced pension benefits was at December 31, 2007.

(a) Information about the Council's retirement allowance benefit plan is as follows:

(thousands of dollars)	2009 $	2008 $
Accrued benefit obligation		
Balance, beginning of year	**121**	110
Current service cost	**4**	4
Interest cost	**4**	7
Benefits paid	**(43)**	0
Experience gain on triennial adjustment	**(9)**	0
Accrued benefit obligation, December 31	**77**	121
Unamortized transitional amount, December 31	**0**	(5)
Accrued retirement allowance, December 31	**77**	116

The Council's retirement allowance expense consists of the following:

(thousands of dollars)	2009 $	2008 $
Current service costs	**4**	4
Interest cost	**4**	7
Accrued earned interest	**(1)**	(3)
Experience gain on triennial adjustment	**(9)**	0
Amortization of transitional amount	**5**	5
Total retirement allowance expense	**3**	13

The significant actuarial assumptions adopted in measuring the Council's retirement allowance obligation are as follows:

	2009 %	2008 %
Benefit costs for the year ended December 31		
Discount rate	**6.50**	6.50
Rate of compensation increase	**4.00**	4.00

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

(b) Information about the Council's enhanced pension benefit plan is as follows:

(thousands of dollars)	2009 $	2008 $
Accrued benefit obligation and accrued pension liability		
Balance, beginning of year	**100**	80
Current service cost	**0**	14
Interest cost	**2**	6
Experience gain on triennial adjustment	**(25)**	0
Accrued benefit obligation and accrued pension liability, (Dec 31)	**77**	100

The Council's enhanced pension expense (income) consists of the following:

(thousands of dollars)	2009 $	2008 $
Current service costs	**0**	14
Interest cost	**2**	6
Experience gain on triennial adjustment	**(25)**	0
Employee contributions	**(3)**	(2)
Total enhanced pension expense	**(26)**	18

The significant actuarial assumptions adopted in measuring the Council's pension obligation are as follows:

	2009 %	2008 %
Benefit costs for the year ended December 31		
Discount rate	**6.50**	6.50
Rate of compensation increase	**4.00**	4.00

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2009

6. Lease commitments

The Council is committed under a premises lease expiring on April 30, 2010 with a new lease under review to expire in 2015 to annual basic rental payments of approximately $46,354 and annual common area and operating costs of approximately $41,553.

The lease payments excluding annual common area and operating costs are as follows:

Year	Base Rent
2010	$42,695.75
2011	46,354.00
2012	46,354.00
2013	46,354.00
2014	46,354.00
2015	15,451.33
	$243,563.08

7. Statement of cash flows

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.

8. Capital Management

The Council considers its capital to comprise its Reserve reflecting net investment in capital assets. There have been no changes to what the Council considers to be its capital since the previous period.

The Council manages its capital to break even with the reserve reflecting funding of unamortized balance capital assets owned by the Council.

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